

PUBLIC-PRIVATE PARTNERSHIPS AND DONOR ENGAGEMENT STRATEGY 2021-2025

EXECUTIVE SUMMARY

PURPOSE

The purpose of the IAF Public-Private Partnerships and Donor Engagement Strategy 2021-2025 (“P3 Strategy”, “the Strategy”) is to:

 <h4>Set clear parameters and principles</h4> <p>for IAF’s engagement with the private sector and donors.</p>	 <h4>Establish a roadmap</h4> <p>for the IAF to engage, co-create, learn from, and leverage private sector resources¹ to advance its mission and strategic goals.</p>	 <h4>Outline a clear plan for implementation</h4> <p>including required financial and human resources, staffing plan, standard operating procedures, desired outcomes, metrics and timeline.</p>
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VISION

The P3 Strategy seeks to build a network of value-aligned private sector partners and donors with whom the IAF can collaborate to mobilize the technical, financial and other resources needed to scale its grassroots development work. This vision supports the IAF’s 2018–2022 Strategic Plan goals of improved community-level prosperity, peace and security, democratic governance, and local co-investment in development. It also reflects the Biden Administration’s focus on partnership engagement as related to national security and foreign policy priorities as described in Section 7 of the February 4, 2021 [Presidential Memorandum](#) on Revitalizing America’s Foreign Policy and National Security Workforce, Institutions, and Partnerships.

Specifically, the P3 strategy is intended to put the IAF on a path to achieving **four goals**:

1. **Actively remove barriers to grassroots development and scale IAF impact and reach across Latin America and the Caribbean** through greater access to financial and technical solutions and innovations.
2. **Diversify the funding base for the IAF and its grantees through a range of shared value and blended-finance approaches.**
3. **Build broader awareness of the IAF model, value, and impact as an effective catalyst for effective grassroots development** by taking advantage of the private sector’s communications platforms and extensive networks.
4. **Institutionalize a community of practice within the IAF around building and managing P3s for grassroots development and strengthen connections to key external networks.**

The P3 Strategy concludes with a general **implementation plan** (see below) outlining priority activities and the timeline for execution. The IAF’s operational approach to and management of P3s is detailed in several annexes.

¹ Including but not limited to additional funding, expertise, technology, networks, and platforms.

IMPLEMENTATION PLAN			
PHASE	TIMEFRAME	KEY ACTIVITIES	DELIVERABLES
Groundwork: Build the institutional framework	Y1-Y2	1.1. Develop policies and procedures 1.2. Launch and Manage Cross-Office P3 Working Group 1.3. Socialize P3 Strategy with Board, Advisory Council, and internal teams 1.4. Develop compelling internal and external communications plan and products 1.5. Conduct analysis of IAF portfolio 1.6. Map partnership and donor landscape 1.7. Develop and present a compelling proposal for a P3 Unit	Procedures to operationalize a partnership practice P3 Working Group operational Internal champions and collaborators Updated P3 webpage; Partnership Toolkit IAF grantees that could benefit identified and engaged Prospective partners identified Partnership operation and practice established (cost proposal and position descriptions developed and approved)
Rollout: Stand up Partnership Office	Y1-Y3	2.1. Stand up unit, hire dedicated staff, engage and train interested staff 2.2. Identify entry points for partnership engagement 2.3. Cultivate leads 2.4 Procure and roll out CRM platform	Unit established, recruitment/selection complete, staff hired and trained, performance plans adjusted to include specific partnership goals/activities New connections established and partners engaged Regular and open communication established, anticipating and addressing challenges in a timely and efficient manner Functioning CRM system to be used by all staff
Agile Implementation: Test, Refine, Adapt, and Learn	Y1-Y4	3.1. Test partnership models 3.2. Test and adapt procedures for establishing and managing partnerships 3.2 Promote platforms for exchanges and learning across partners	Different models tested (sponsorship, programmatic, fundraising campaigns etc.) and refined Procedures for managing partnerships refined and promoted; partnership accounts assigned to specific staff Events organized and executed (calls, webinars, discussions)

ADDENDUM: Key Terms & Definitions, Guiding Principles, and Partnership Models

KEY TERMS & DEFINITIONS

For the purposes of this strategy, public-private partnerships (P3s) are defined as a collaboration between the Inter-American Foundation (IAF) and one or more private entities that seeks to deliver social, environmental, and economic value for all parties that they could not have achieved alone. A P3 blends and capitalizes on the comparative advantages of public, private, and civil society actors to expand into new geographies and/or markets and scale grassroots development impact in Latin America and the Caribbean. This definition aligns with and builds upon the U.S. government’s definition of a P3 as “a collaborative working relationship between the U.S. government and non-federal actors in which the goals, structures, and roles and responsibilities of each partner, are mutually determined.”

The “private sector” is made up of many different kinds of entities and may refer to:

Corporations and business organizations:	Private philanthropic organizations and nonprofits:	Academic and research institutions:
companies and their foundations that operate within and across countries and whose core business is primarily outside of grassroots development.	charitable and family foundations, non-governmental organizations (NGOs) whose core work may include international development.	universities and research institutions that bring specific expertise or innovation to our grantees’ line of work and may offer contributions to the IAF’s learning agenda.

The P3s Strategy also includes a donor engagement component that focuses on the cultivation and stewardship of individual donors through direct donations, online fundraising campaigns, specific events and other opportunities. Donor engagement may lead to larger gifts, and multiple-year planned giving. It may also facilitate relationships to other potential collaborators, and create a constituency base of support and visibility for IAF’s work. Specifically, donor engagement involves:

- **Individual donors:** people with the capacity, intention, and interest to give to the IAF or the causes we and/or our granteessupport.

GUIDING PRINCIPLES

The IAF adopts the following principles to guide its private sector and donor engagement:

- **Benefits outweigh the costs.** Seek a greater than 1:1 leverage ratio from co-funding partners and seek to recover at least the transactional/operational costs associated with designing and overseeing the partnership.
- **Community-level impact.** Develop P3s aimed at deepening the impact of IAF’s grassroots work in communities. Anchor P3 activities to IAF’s programming, learning, and communications goals.
- **Innovation.** Consider, test, and leverage a range of partnerships, blended-finance and shared-value models.

- **Integrity & risk management.** The IAF will prioritize its independence and responsibilities as a U.S. agency in carrying out its mission, and proactively guard against potential institutional risks, including perceived or actual conflicts of interest. The IAF has developed a rigorous partner vetting process that includes a due diligence review to surface potential legal, operational, reputational, and financial risks.
- **Shared value.** Engage in P3s with the goal of a shared bottom line (social, environmental, economic impact) for the IAF and/or our grantees and the private sector partner.
- **Thought leadership.** Leverage partners' convening power and communications platforms to further IAF thought leadership on grassroots development.

PARTNERSHIP MODELS

P3s include blended finance and shared-value approaches. The IAF will explore the following models:

- **Flagship partnerships** - the partners provide financial resources directly to the IAF for a jointly agreed-upon initiative. These partnerships are characterized by their long-term nature (spanning multiple years), sizable contributions of financial and human resources by partners, and the delegation of decision-making power about funding and programming to the IAF. These P3s often consist of a mix of Programmatic, Co-funding and Philanthropic donations.
- **Co-funding partnerships** - the partners want to co-invest directly in a local organization's efforts to deliver social and/or economic impact in a specific community(ies).
- **Programmatic partnerships** - the partners tap into each other's knowledge, expertise, networks or platforms to advance their social and economic impact goals and deliver on their respective missions.
- **Philanthropic donations** - the partners and individual donors provide restricted or unrestricted one-way funding transfers to the IAF for mission-related work.
- **Impact investments** - the IAF invests in/ takes an equity position in local community/social enterprise. These investments are intended to generate a measurable and beneficial social, economic, or environmental impact alongside a financial return for the IAF and its partner. IAF resources will be reinvested in LAC communities/grantees.
- **Sponsorships** - the IAF's partners agree to cover all or part of the costs associated with a thought leadership or other external event, on a one-time basis.